

Message Text

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ACTION EA-14

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03

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R 261215 Z APR 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 816

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

CINCPAC

AMCONSUL DANANG

AMCONSUL NHA TRANG

AMEMBASSY PHNOM PENH

AMEMBASSY VIENTIANE

USDEL JEC PARIS

C O N F I D E N T I A L SAIGON 7277

E. O. 11652: GDS

TAGS: PINT VS

SUBJECT: CORRUPTION INVESTIGATIONS BY VICE PRESIDENT' S OFFICE

CINCPAC FOR POLAD

1. IN A CONVERSATION APRIL 24 WITH EMBOFF, GENERAL NGUYEN VAN HIEU OFFERED THE FOLLOWING COMMENTS ON CORRUPTION INVESTIGATIONS HE HAD RECENTLY COMPLETED FOR THE VICE PRESIDENT. HE SAID THAT SPECIAL INVESTIGATIONS HAD BEEN COMPLETED ON THE EX - CHIEFS OF PHU BON AND PHU YEN PROVINCES, TWO OF THE THREE PROVINCE CHIEFS DISMISSED BY PRES THIEU LAST MAR 27 ON THE INSPECTORATE' S RECOMMENDATION (SEE SAIGON 5292).

2. INVESTIGATION OF COLONEL NGUYEN VAN NGHIEM. IN HIS INVESTIGATION OF THE CORRUPTION CHARGES AGAINST THE EX- CHIEF OF PHU BON PROVINCE, COL. NGUYEN VAN NGHIEM, GENERAL HIEU
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SAID THAT SEVERAL IRREGULARITIES HAD BEEN DISCOVERED, THE ONLY IMPORTANT ONE BEING COL. NGHIEM'S RETENTION OF ABOUT HALF THE FUNDS SUPPLIED TO HIM FOR MONTAGNARD WELFARE. HIEU ADDED, HOWEVER, THAT THE COLONEL'S INTENTIONS MAY HAVE BEEN GOOD, SINCE NGHIEM APPARENTLY RETAINED THE FUNDS TO BUY RICE FOR LATER DISTRIBUTION TO THE MONTAGNARDS. NGHIEM ALLEGED THAT SUPPLYING RICE RATHER THAN MONEY WAS PREFERABLE IN SUCH CASES, SINCE MONEY WAS APT TO GET SIPHONED OFF ALONG THE WAY. NGHIEM WAS ABLE TO SUBSTANTIATE HIS INTENTION WITH SOME EVIDENCE, SUCH AS THE FACT THAT HE HAD ALREADY BOUGHT SOME RICE WITH THE FUNDS. HIEU ADDED THAT SOME OF NGHIEM'S ACCUSERS MAY HAVE BEEN MOTIVATED BY MALICE AND THERE IS AN AS YET UNVERIFIED POSSIBILITY THAT PERSONS CONNECTED WITH THE COMMUNISTS STIRRED UP SOME OF THE CHARGES. IN ANY CASE, IT APPEARS THAT NGHIEM'S WRONGDOING WAS LESS THAN IT AT FIRST APPEARED. HIEU STRESSED, HOWEVER, THAT THE RETENTION OF THE FUNDS WAS A HIGHLY IRREGULAR PRACTICE.

3. INVESTIGATION OF COLONEL NGUYEN VAN TO. CONCERNING THE INVESTIGATION OF THE EX- CHIEF OF PHU YEN PROVINCE, COL. NGUYEN VAN TO, HIEU SAID THAT THERE WAS EVEN LESS EVIDENCE AGAINST HIM THAN IN THE CASE OF COL. NGHIEM. IT HAD BEEN DISCOVERED THAT A PHU YEN DEPUTY, TRUONG VAN NGUYEN, HAD USED HIS INFLUENCE WITH HIGH- UP SAIGON OFFICIALS TO PERSUADE THE INSPECTORATE TO RECOMMEND TO'S DISMISSAL ON CORRUPTION CHARGES, EVEN THOUGH THE CHARGES WERE LARGELY GROUNDLESS. HIEU CHARACTERIZED DEPUTY NGUYEN AS A REVOLUTIONARY DAI VIET, AND ADDED THAT THE DEPUTY'S DISLIKE OF TO WAS BASED ON THE LATTER'S REFUSAL TO GIVE IN TO RDV DEMANDS ABOUT THE PARTY'S POSITION IN THE PROVINCE. (NOTE: NGUYEN IS THE BROTHER OF TRUONG TU ANH, DECEASED DAI VIET LEADER.) ASKED WHY THE SAIGON ADMINISTRATION WOULD BE INFLUENCED BY AN RDV REPRESENTATIVE DURING THE CURRENT PERIOD OF BAD FEELING BETWEEN THAT PARTY AND THE ADMINISTRATION, HIEU WAS UNCLEAR IN HIS REPLY. HE MERELY SAID THAT IN SOME PROVINCES WHERE TRADITIONAL PARTIES ARE STRONG, SUCH AS PHU YEN WHERE THE DAI VIET PARTY WAS BORN, THE ADMINISTRATION'S DEMOCRACY PARTY IS NOT MAKING HEADWAY AND IS NOT TRYING HARD TO DO SO. (COMMENT: SINCE THE DEMOCRACY PARTY AND THE REVOLUTIONARY DAI VIET PARTY ARE NATIONALLY VERY

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MUCH AT ODDS, IT SEEMS UNLIKELY THAT THE ADMINISTRATION WOULD MAKE AN EXCEPTION OF PHU YEN. ANOTHER EXPLANATION IS THAT THE ADMINISTRATION ACCEPTED DEPUTY NGUYEN'S ARGUMENT FOR ITS OWN REASONS, PERHAPS INCLUDING TO'S FAILURE TO ESTABLISH A DEMOCRACY PARTY CHAPTER IN PHU YEN. SEE NHA TRANG A-17.)

4. THE ROLE OF THE INSPECTORATE AND THE VICE PRESIDENT'S

OFFICE. ASKED ABOUT THE ROLE OF THE VP' S OFFICE AS IT RELATES TO THE INSPECTORATE, HIEU SAID THAT THE FUNCTION OF THE VP' S OFFICE IS BASICALLY THAT OF AN INTERNAL HOUSECLEANING AGENCY WITHIN THE ADMINISTRATION. THE INSPECTORATE HAS MORE "LEGAL STATUS", WHICH IN A SENSE GIVES IT MORE AUTHORITY BUT ALSO IMPOSES ON IT A NUMBER OF REGULATIONS SLOWING DOWN ITS WORK. ALSO, THE INSPECTORATE CANNOT LOOK AT ADMINISTRATION FILES WITHOUT GETTING PERMISSION FIRST, WHEREAS THE VP' S OFFICE CAN SIMPLY "GO AND LOOK". BOTH THE INSPECTORATE AND THE VP' S OFFICE CAN ONLY MAKE RECOMMENDATIONS, BUT HIEU IMPLIED THAT THE VP' S RECOMMENDATIONS CARRY MORE WEIGHT.

5. HIEU' S ATTITUDE TOWARD HIS JOB. SPEAKING GENERALLY ABOUT THE GOVERNMENT' S ANTI- CORRUPTION EFFORTS, HIEU REPEATED THE BASICALLY PESSIMISTIC LINE THAT HE HAS GIVEN TO EMBOFFS IN THE PAST (SEE SAIGON A-42). THE CORRUPTION PROBLEM IS ENORMOUSLY DIFFICULT, HE SAID, AND IS COMPLICATED BY SUCH FACTORS AS INFLATION, WHICH EATS INTO PENSIONS AND THEREFORE INCREASES THE TEMPTATION FOR IMPROPER MONEY- MAKING ACTIVITIES.

ON TOP OF THESE PROBLEMS IS THAT OF SORTING OUT REAL FROM FALSE CHARGES OF CORRUPTION, THE LATTER INSTIGATED BY THE COMMUNISTS IN SOME BUT NOT ALL CASES. ALLEGING CORRUPTION IS CONSIDERED AN EASY WAY TO DESTROY THE REPUTATION OF A PERSONAL OR POLITICAL ENEMY. HIEU SAID THAT " DRASTIC" MEASURES ARE REQUIRED WHICH WOULD CONSTITUTE A VIRTUAL " REVOLTUION" IN THE PUBLIC AND GOVERNMENTAL APPROACH TO THE CORRUPTION PROBLEM.

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